# INDIANA HOUSING FINANCE AUTHORITY

Financial Statements

December 31, 2000 and 1999

(With Independent Auditors' Report Thereon)

**INDEPENDENT AUDITORS' REPORT**
**UNQUALIFIED OPINION ON FINANCIAL STATEMENTS**

To the Members of the
Indiana Housing Finance Authority:

We have audited the combined and individual balance sheets of the various funds of the Indiana Housing Finance Authority as of December 31, 2000 and 1999 and the related combined and individual statements of revenues, expenses and changes in equity and cash flows for the years then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined and individual financial positions of the various funds of the Indiana Housing Finance Authority as of December 31, 2000 and 1999 and the combined and individual results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2001 on our consideration of the Indiana Housing Finance Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

KPMG LLP

Indianapolis, Indiana
March 2, 2001

**INDIANA HOUSING FINANCE AUTHORITY**

Balance Sheets

December 31, 2000 and 1999

| | 2000 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Assets** | **General Fund Administration** | **General Fund Investments** | **Single Family Mortgage Program Fund** | **Residential Mortgage Program Fund** | **GNMA Mortgage Program Fund** | **Multi-Unit Mortgage Program Fund** | **First Home Mortgage Program Fund** | **Working Families Program Fund** | **Combined** | **1999 Combined** |
| Cash and investments | $ 25,467,129 | 22,077,003 | 177,531,385 | — | 1,467,126 | 6,741,916 | 520,105 | 987,250 | 234,791,914 | 227,115,138 |
| Mortgage loans receivable (note 5) | — | 4,182,438 | 695,330,722 | — | 3,545,907 | 38,959,085 | 12,492,868 | 38,131,697 | 792,642,717 | 672,041,638 |
| Less unamortized commitment fees | (54,510) | — | (305,487) | — | (38,592) | (518,834) | — | — | (917,423) | (1,648,695) |
| Net mortgage loans receivable | (54,510) | 4,182,438 | 695,025,235 | — | 3,507,315 | 38,440,251 | 12,492,868 | 38,131,697 | 791,725,294 | 670,392,943 |
| Accrued interest receivable: | | | | | | | | | | |
| Investments | 374,543 | 1,018,010 | 586,896 | — | 68,637 | 22,281 | 24,810 | — | 2,095,177 | 1,287,191 |
| Mortgage loans | — | 32,000 | 3,833,306 | — | 23,028 | 228,485 | 64,360 | 213,887 | 4,395,066 | 3,928,928 |
| Deferred debt issuance costs, net | 201,056 | 38,037 | 7,605,408 | — | – | 1,221,295 | 56,913 | 304,250 | 9,426,959 | 8,718,284 |
| Office furniture and equipment, at cost, less accumulated depreciation | 418,763 | — | — | — | — | — | — | — | 418,763 | 309,884 |
| Other assets | 1,560,494 | 10,183 | 70,573 | — | — | — | — | — | 1,641,250 | 1,159,011 |
| Interfund accounts | 558,296 | 172,316 | (677,391) | — | (2,048) | (9,095) | (4,744) | (37,334) | — | — |
| Total assets | $ 28,525,771 | 27,529,987 | 883,975,412 | — | 5,064,058 | 46,645,133 | 13,154,312 | 39,599,750 | ############ | 912,911,379 |
| **Liabilities and Equity** | | | | | | | | | | |
| Liabilities: | | | | | | | | | | |
| Bonds payable (note 6) | $ — | — | 807,075,000 | — | — | 42,620,000 | 12,885,000 | 37,210,000 | 899,790,000 | 794,074,000 |
| Less original issue discount | — | — | (71,902) | — | — | (91,018) | — | — | (162,920) | (150,379) |
| Net bonds payable | — | — | 807,003,098 | — | — | 42,528,982 | 12,885,000 | 37,210,000 | 899,627,080 | 793,923,621 |
| Collateralized bank loans (note 6) | — | 12,228,000 | — | — | — | — | — | — | 12,228,000 | 26,638,000 |
| Accrued interest payable | — | 2,776 | 555,252 | — | — | 548,203 | — | — | 1,106,231 | 1,009,520 |
| Commitment fee deposits | 267,369 | — | — | — | — | — | — | — | 267,369 | 622,037 |
| Accounts payable and other liabilities (note 8) | 484,380 | — | 124,612 | — | — | 128,911 | — | 140,429 | 878,332 | 1,159,816 |
| Total liabilities | 751,749 | 12,230,776 | 807,682,962 | — | — | 43,206,096 | 12,885,000 | 37,350,429 | 914,107,012 | 823,352,994 |
| Equity | 27,774,022 | 15,299,211 | 76,292,450 | — | 5,064,058 | 3,439,037 | 269,312 | 2,249,321 | 130,387,411 | 89,558,385 |
| Total liabilities and equity | $ 28,525,771 | 27,529,987 | 883,975,412 | — | 5,064,058 | 46,645,133 | 13,154,312 | 39,599,750 | ############ | 912,911,379 |

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**INDIANA HOUSING FINANCE AUTHORITY**

Balance Sheets

December 31, 2000 and 1999

| | | | | | 1999 | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Assets** | **General Fund Administration** | **General Fund Investments** | **Single Family Mortgage Program Fund** | **Residential Mortgage Program Fund** | **GNMA Mortgage Program Fund** | **Multi-Unit Mortgage Program Fund** | **First Home Mortgage Program Fund** | **Working Families Program Fund** | **Combined** |
| Cash and investments | $ 24,660,684 | 34,547,296 | 152,824,306 | — | 1,951,173 | 11,012,356 | 585,896 | 1,533,427 | 227,115,138 |
| Mortgage loans receivable (note 5) | — | 5,148,705 | 516,130,537 | — | 61,364,457 | 35,731,341 | 13,297,705 | 40,368,893 | 672,041,638 |
| Less unamortized commitment fees | (66,377) | — | (389,109) | — | (668,901) | (524,308) | — | — | (1,648,695) |
| Net mortgage loans receivable | (66,377) | 5,148,705 | 515,741,428 | — | 60,695,556 | 35,207,033 | 13,297,705 | 40,368,893 | 670,392,943 |
| Accrued interest receivable: | | | | | | | | | |
| Investments | 304,695 | 71,965 | 720,184 | — | 120,645 | 22,281 | 47,421 | — | 1,287,191 |
| Mortgage loans | — | 44,662 | 3,056,324 | — | 397,745 | 123,084 | 71,764 | 235,349 | 3,928,928 |
| Deferred debt issuance costs, net | 225,983 | 77,566 | 6,271,244 | — | 515,890 | 1,168,285 | 92,664 | 366,652 | 8,718,284 |
| Office furniture and equipment, at cost, less accumulated depreciation | 309,884 | — | — | — | — | — | — | — | 309,884 |
| Other assets | 876,889 | 10,276 | 130,953 | — | — | 140,893 | — | — | 1,159,011 |
| Interfund accounts | 343,846 | 172,316 | (424,136) | — | (36,430) | (9,191) | (5,323) | (41,082) | — |
| Total assets | $ 26,655,604 | 40,072,786 | 678,320,303 | — | 63,644,579 | 47,664,741 | 14,090,127 | 42,463,239 | 912,911,379 |
| **Liabilities and Equity** | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Bonds payable (note 6) | $ — | — | 636,670,000 | — | 57,075,000 | 44,484,000 | 14,450,000 | 41,395,000 | 794,074,000 |
| Less original issue discount | — | — | (52,363) | — | — | (98,016) | — | — | (150,379) |
| Net bonds payable | — | — | 636,617,637 | — | 57,075,000 | 44,385,984 | 14,450,000 | 41,395,000 | 793,923,621 |
| Collateralized bank loans (note 6) | — | 26,638,000 | — | — | — | — | — | — | 26,638,000 |
| Accrued interest payable | — | — | 830,809 | — | — | 178,711 | — | — | 1,009,520 |
| Commitment fee deposits | 622,037 | — | — | — | — | — | — | — | 622,037 |
| Accounts payable and other liabilities (note 8) | 228,276 | 212,297 | — | — | 40,390 | 128,880 | — | 549,973 | 1,159,816 |
| Total liabilities | 850,313 | 26,850,297 | 637,448,446 | — | 57,115,390 | 44,693,575 | 14,450,000 | 41,944,973 | 823,352,994 |
| Equity | 25,805,291 | 13,222,489 | 40,871,857 | — | 6,529,189 | 2,971,166 | (359,873) | 518,266 | 89,558,385 |
| Total liabilities and equity | $ 26,655,604 | 40,072,786 | 678,320,303 | — | 63,644,579 | 47,664,741 | 14,090,127 | 42,463,239 | 912,911,379 |

See accompanying notes to financial statements.

**INDIANA HOUSING FINANCE AUTHORITY**

Statements of Revenues, Expenses, and Changes in Equity

For the years ended December 31, 2000 and 1999

| | 2000 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | General Fund Administration | General Fund Investments | Single Family Mortgage Program Fund | Residential Mortgage Program Fund | GNMA Mortgage Program Fund | Multi-Unit Mortgage Program Fund | First Home Mortgage Program Fund | Working Families Program Fund | Combined | 1999 Combined |
| Revenues: | | | | | | | | | | |
| Interest income on mortgage loans | $ — | 472,105 | 41,680,784 | — | 2,552,767 | 2,732,019 | 818,956 | 2,682,827 | 50,939,458 | 43,515,929 |
| Interest income on investments | 1,572,831 | 2,692,869 | 11,308,088 | — | 478,033 | 470,987 | 50,498 | 192,184 | 16,765,490 | 17,022,329 |
| Commitment fee amortization | 11,867 | — | 83,622 | — | 630,309 | 5,474 | — | — | 731,272 | 1,508,975 |
| Fee income | 5,866,823 | — | — | — | — | — | — | — | 5,866,823 | 4,927,299 |
| Net increase (decrease) in fair value of securities | 405,527 | (214,627) | 27,500,527 | — | (485,914) | 124,011 | 635,693 | 1,524,386 | 29,489,603 | (37,794,987) |
| Other income | 989,396 | — | — | — | — | — | — | — | 989,396 | 945,674 |
| Total revenues | 8,846,444 | 2,950,347 | 80,573,021 | — | 3,175,195 | 3,332,491 | 1,505,147 | 4,399,397 | 104,782,042 | 30,125,219 |
| Expenses: | | | | | | | | | | |
| Interest expense on bonds | — | — | 43,420,946 | — | 2,958,954 | 2,617,617 | 813,270 | 2,519,595 | 52,330,382 | 46,812,099 |
| Accretion on capital appreciation and compound interest bonds | — | — | — | — | — | — | — | — | — | 123,433 |
| Amortization of original issue discount | — | — | 8,509 | — | — | 6,998 | — | — | 15,507 | 20,648 |
| | — | — | 43,429,455 | — | 2,958,954 | 2,624,615 | 813,270 | 2,519,595 | 52,345,889 | 46,956,180 |
| Interest expense on bank loans | — | 795,569 | — | — | — | — | — | — | 795,569 | 1,495,155 |
| Amortization of debt issuance costs | 24,927 | 39,529 | 652,919 | — | 334,936 | 86,553 | 35,751 | 62,402 | 1,237,017 | 1,101,538 |
| Servicing fees on mortgage loans | — | 17,373 | 113,931 | — | — | 151,453 | — | — | 282,757 | 199,817 |
| Arbitrage expense | — | — | 338,780 | — | 5,560 | 21,911 | — | — | 366,251 | 509,071 |
| General and administrative expenses | 4,468,557 | 21,154 | 1,792,551 | — | 65,043 | 331,136 | 26,941 | 86,345 | 6,791,727 | 5,373,296 |
| Total expenses | 4,493,484 | 873,625 | 46,327,636 | — | 3,364,493 | 3,215,668 | 875,962 | 2,668,342 | 61,819,210 | 55,635,057 |
| Excess (deficiency) of revenues over expenses before extraordinary items | 4,352,960 | 2,076,722 | 34,245,385 | — | (189,298) | 116,823 | 629,185 | 1,731,055 | 42,962,832 | (25,509,838) |
| Extraordinary items (note 7): | | | | | | | | | | |
| Bond call premium | — | — | — | — | (1,003,900) | — | — | — | (1,003,900) | (428,100) |
| Gain on extinguishment of debt | — | — | — | — | — | — | — | — | — | 1,481,047 |
| Write-off of debt issuance costs | — | — | — | — | (180,954) | — | — | — | (180,954) | (374,219) |
| Write-off of original issue discount | — | — | — | — | — | — | — | — | — | (70,328) |
| Total gain (loss) and extraordinary items | — | — | — | — | (1,184,854) | — | — | — | (1,184,854) | 608,400 |
| Net income (loss) | 4,352,960 | 2,076,722 | 34,245,385 | — | (1,374,152) | 116,823 | 629,185 | 1,731,055 | 41,777,978 | (24,901,438) |
| Equity, beginning of year | 25,805,291 | 13,222,489 | 40,871,857 | — | 6,529,189 | 2,971,166 | (359,873) | 518,266 | 89,558,385 | 115,072,958 |
| Other (notes 1 and 8) | (1,300,000) | — | — | — | — | 351,048 | — | — | (948,952) | (613,135) |
| Distributions between funds | (1,084,229) | — | 1,175,208 | — | (90,979) | — | — | — | — | — |
| Equity, end of year | $ 27,774,022 | 15,299,211 | 76,292,450 | — | 5,064,058 | 3,439,037 | 269,312 | 2,249,321 | 130,387,411 | 89,558,385 |

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**INDIANA HOUSING FINANCE AUTHORITY**

Statements of Revenues, Expenses, and Changes in Equity

For the years ended December 31, 2000 and 1999

| | | **1999** | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | **General Fund Administration** | **General Fund Investments** | **Single Family Mortgage Program Fund** | **Residential Mortgage Program Fund** | **GNMA Mortgage Program Fund** | **Multi-Unit Mortgage Program Fund** | **First Home Mortgage Program Fund** | **Working Families Program Fund** | **Combined** |
| Revenues: | | | | | | | | | | |
| Interest income on mortgage loans | $ | — | 641,967 | 30,055,164 | — | 6,227,461 | 2,709,369 | 945,318 | 2,936,650 | 43,515,929 |
| Interest income on investments | | 1,308,902 | 2,704,809 | 11,526,497 | — | 861,221 | 337,463 | 77,249 | 206,188 | 17,022,329 |
| Commitment fee amortization | | 20,033 | — | 289,030 | — | 533,144 | 666,768 | — | — | 1,508,975 |
| Fee income | | 4,927,299 | — | — | — | — | — | — | — | 4,927,299 |
| Net increase (decrease) in fair value of securities | | (421,908) | (760,955) | (32,828,922) | — | (2,342,511) | (156,322) | (55,102) | (1,229,267) | (37,794,987) |
| Other income | | 945,674 | — | — | — | — | — | — | — | 945,674 |
| Total revenues | | 6,780,000 | 2,585,821 | 9,041,769 | — | 5,279,315 | 3,557,278 | 967,465 | 1,913,571 | 30,125,219 |
| Expenses: | | | | | | | | | | |
| Interest expense on bonds | | — | — | 33,968,101 | — | 6,295,248 | 2,843,619 | 946,246 | 2,758,885 | 46,812,099 |
| Accretion on capital appreciation and compound interest bonds | | — | — | — | — | — | 123,433 | — | — | 123,433 |
| Amortization of original issue discount | | — | — | 5,206 | — | — | 15,442 | — | — | 20,648 |
| | | — | — | 33,973,307 | — | 6,295,248 | 2,982,494 | 946,246 | 2,758,885 | 46,956,180 |
| Interest expense on bank loans | | — | 1,495,155 | — | — | — | — | — | — | 1,495,155 |
| Amortization of debt issuance costs | | 18,200 | 76,982 | 493,036 | — | 406,036 | 33,569 | 22,312 | 51,403 | 1,101,538 |
| Servicing fees on mortgage loans | | — | 22,878 | 143,772 | — | — | 33,167 | — | — | 199,817 |
| Arbitrage expense | | — | 210,660 | — | — | 298,411 | — | — | — | 509,071 |
| General and administrative expenses | | 3,379,246 | 33,690 | 1,386,555 | — | 128,793 | 327,586 | 22,981 | 94,445 | 5,373,296 |
| Total expenses | | 3,397,446 | 1,839,365 | 35,996,670 | — | 7,128,488 | 3,376,816 | 991,539 | 2,904,733 | 55,635,057 |
| Excess (deficiency) of revenues over expenses before extraordinary items | | 3,382,554 | 746,456 | (26,954,901) | — | (1,849,173) | 180,462 | (24,074) | (991,162) | (25,509,838) |
| Extraordinary items (note 7): | | | | | | | | | | |
| Bond call premium | | — | — | — | — | (428,100) | — | — | — | (428,100) |
| Gain on extinguishment of debt | | — | — | — | — | — | 1,481,047 | — | — | 1,481,047 |
| Write-off of debt issuance costs | | — | — | — | — | (162,469) | (211,750) | — | — | (374,219) |
| Write-off of original issue discount | | — | — | — | — | — | (70,328) | — | — | (70,328) |
| Total gain (loss) and extraordinary items | | — | — | — | — | (590,569) | 1,198,969 | — | — | 608,400 |
| Net income (loss) | | 3,382,554 | 746,456 | (26,954,901) | — | (2,439,742) | 1,379,431 | (24,074) | (991,162) | (24,901,438) |
| Equity, beginning of year | | 21,927,565 | 12,476,033 | 66,257,562 | 853,645 | 11,279,654 | 1,104,870 | (335,799) | 1,509,428 | 115,072,958 |
| Other (notes 1 and 8) | | (1,100,000) | — | — | — | — | 486,865 | — | — | (613,135) |
| Distributions between funds | | 1,595,172 | — | 1,569,196 | (853,645) | (2,310,723) | — | — | — | — |
| Equity, end of year | $ | 25,805,291 | 13,222,489 | 40,871,857 | — | 6,529,189 | 2,971,166 | (359,873) | 518,266 | 89,558,385 |

See accompanying notes to financial statements.

**INDIANA HOUSING FINANCE AUTHORITY**

Statements of Cash Flows

For the years ended December 31, 2000 and 1999

| | 2000 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | General Fund Administration | General Fund Investments | Single Family Mortgage Program Fund | Residential Mortgage Program Fund | GNMA Mortgage Program Fund | Multi-Unit Mortgage Program Fund | First Home Mortgage Program Fund | Working Families Program Fund | Combined |
| Cash flows from operating activities: | | | | | | | | | |
| Net income (loss) | $ 4,352,960 | 2,076,722 | 34,245,385 | — | (1,374,152) | 116,823 | 629,185 | 1,731,055 | 41,777,978 |
| Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities: | | | | | | | | | |
| Change in fair value of securities | (405,527) | 214,627 | (27,500,527) | — | 485,914 | (124,011) | (635,693) | (1,524,386) | (29,489,603) |
| Investment income | (1,572,831) | (2,692,869) | (11,308,088) | — | (478,033) | (470,987) | (50,498) | (192,184) | (16,765,490) |
| Interest on bonds and bank loans | — | 795,569 | 43,420,946 | — | 2,958,954 | 2,617,617 | 813,270 | 2,519,595 | 53,125,951 |
| Amortization and write-off of debt issuance costs and discount amortization | 24,927 | 39,529 | 661,428 | — | 515,890 | 93,551 | 35,751 | 62,402 | 1,433,478 |
| Amortization of nonrefundable fee income | (11,867) | — | (83,622) | — | (630,309) | (5,474) | — | — | (731,272) |
| Accretion on capital appreciation and compound interest bonds | — | — | — | — | — | — | — | — | — |
| Changes in account balances: | | | | | | | | | |
| Nonrefundable fees received and commitment fee deposits | (354,668) | — | — | — | — | — | — | — | (354,668) |
| Purchase of mortgage loans | — | — | (145,852,430) | — | — | (3,577,505) | — | — | (149,429,935) |
| Principal repayments on mortgage loans | — | 966,267 | 44,709,333 | — | 5,339,541 | 349,761 | 1,440,530 | 3,761,582 | 56,567,014 |
| Accrued interest receivable on loans | — | 12,662 | (776,982) | — | 374,717 | (105,401) | 7,404 | 21,462 | (466,138) |
| Other assets | (683,605) | 93 | 60,380 | — | — | 140,893 | — | — | (482,239) |
| Accounts payable and other liabilities | 256,104 | (212,297) | 124,612 | — | (40,390) | 31 | — | (409,544) | (281,484) |
| Interfund accounts | (214,450) | — | 253,255 | — | (34,382) | (96) | (579) | (3,748) | — |
| Interfund transfer | (1,084,229) | — | (50,817,887) | — | 51,902,116 | — | — | — | — |
| Net cash provided (used) by operating activities | 306,814 | 1,200,304 | (112,864,197) | — | 59,019,866 | (964,799) | 2,239,370 | 5,966,234 | (45,096,408) |

(Continued)

**INDIANA HOUSING FINANCE AUTHORITY**

Statements of Cash Flows

For the years ended December 31, 2000 and 1999

| | 2000 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **General Fund Administration** | **General Fund Investments** | **Single Family Mortgage Program Fund** | **Residential Mortgage Program Fund** | **GNMA Mortgage Program Fund** | **Multi-Unit Mortgage Program Fund** | **First Home Mortgage Program Fund** | **Working Families Program Fund** | **Combined** |
| Cash flows from non capital financing activities: | | | | | | | | | |
| Proceeds from bond issues | $ — | — | 208,611,952 | — | — | — | — | — | 208,611,952 |
| Proceeds from bank loans | — | 6,055,000 | — | — | — | — | — | — | 6,055,000 |
| Payments on collateralized bank loans | — | (20,465,000) | — | — | — | — | — | — | (20,465,000) |
| Debt issuance costs incurred | — | — | (1,987,083) | — | — | (139,563) | — | — | (2,126,646) |
| Repayments and redemption of bonds | — | — | (38,235,000) | — | (57,075,000) | (1,864,000) | (1,565,000) | (4,185,000) | (102,924,000) |
| Interest paid on bonds and bank loans | — | (792,793) | (43,696,503) | — | (2,958,954) | (2,248,125) | (813,270) | (2,519,595) | (53,029,240) |
| Contribution from Pedcor | — | — | — | — | — | 421,119 | — | — | 421,119 |
| Contribution from Indiana Affordable Housing | — | — | — | — | — | (181,623) | — | — | (181,623) |
| Hunters Run mortgage reserve contribution | — | — | — | — | — | 111,552 | — | — | 111,552 |
| Down Payment Assistance Fund contribution | (450,000) | — | — | — | — | — | — | — | (450,000) |
| Trust fund contribution | (850,000) | — | — | — | — | — | — | — | (850,000) |
| Net cash provided (used) by non capital financing activities | (1,300,000) | (15,202,793) | 124,693,366 | — | (60,033,954) | (3,900,640) | (2,378,270) | (6,704,595) | 35,173,114 |
| Cash flows from capital financing activities: | | | | | | | | | |
| Purchase of furniture and equipment (net of depreciation reimbursement from Program Funds) | (108,879) | — | — | — | — | — | — | — | (108,879) |
| Net cash provided by capital financing activities | (108,879) | — | — | — | — | — | — | — | (108,879) |
| Cash flows from investing activities: | | | | | | | | | |
| Purchases of investments | (10,459,689) | (6,055,000) | (28,614,648) | — | — | 3,252,766 | (70,939) | — | (41,947,510) |
| Interest received on investments | 1,502,983 | 1,746,824 | 11,441,376 | — | 530,041 | 470,987 | 73,109 | 192,184 | 15,957,504 |
| Proceeds from sales or maturities of investments | 9,314,765 | 3,990,268 | — | — | 750,149 | — | — | 242,028 | 14,297,210 |
| Net cash provided (used) by investing activities | 358,059 | (317,908) | (17,173,272) | — | 1,280,190 | 3,723,753 | 2,170 | 434,212 | (11,692,796) |
| Increase (decrease) in cash and cash equivalents | (744,006) | (14,320,397) | (5,344,103) | — | 266,102 | (1,141,686) | (136,730) | (304,149) | (21,724,969) |
| Cash and cash equivalents, beginning of year | 2,110,121 | 14,385,100 | 39,455,102 | — | 1,201,024 | 4,235,969 | 188,761 | 618,999 | 62,195,076 |
| Cash and cash equivalents, end of year | $ 1,366,115 | 64,703 | 34,110,999 | — | 1,467,126 | 3,094,283 | 52,031 | 314,850 | 40,470,107 |
| Reconciliation of cash and cash equivalents: | | | | | | | | | |
| Cash and investments as presented in the balance sheet | 25,467,129 | 22,077,003 | 177,531,385 | — | 1,467,126 | 6,741,916 | 520,105 | 987,250 | 234,791,914 |
| Less: investments with maturities greater than three months | 24,101,014 | 22,012,300 | 143,420,386 | — | — | 3,647,633 | 468,074 | 672,400 | 194,321,807 |
| Cash and cash equivalents as presented in the statement of cash flows | $ 1,366,115 | 64,703 | 34,110,999 | — | 1,467,126 | 3,094,283 | 52,031 | 314,850 | 40,470,107 |

See accompanying notes to financial statements.

**INDIANA HOUSING FINANCE AUTHORITY**

Statements of Cash Flows

For the years ended December 31, 2000 and 1999

| | 1999 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **General Fund Administration** | **General Fund Investments** | **Single Family Mortgage Program Fund** | **Residential Mortgage Program Fund** | **GNMA Mortgage Program Fund** | **Multi-Unit Mortgage Program Fund** | **First Home Mortgage Program Fund** | **Working Families Program Fund** | **Combined** |
| Cash flows from operating activities: | | | | | | | | | |
| Net income (loss) | $ 3,382,554 | 746,456 | (26,954,901) | — | (2,439,742) | 1,379,431 | (24,074) | (991,162) | (24,901,438) |
| Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities: | | | | | | | | | |
| Change in fair value of securities | 421,908 | 760,955 | 32,828,922 | — | 2,342,511 | 156,322 | 55,102 | 1,229,267 | 37,794,987 |
| Investment income | (1,308,902) | (2,704,809) | (11,526,497) | — | (861,221) | (337,463) | (77,249) | (206,188) | (17,022,329) |
| Interest on bonds and bank loans | — | 1,495,155 | 33,968,101 | — | 6,295,248 | 2,843,619 | 946,246 | 2,758,885 | 48,307,254 |
| Amortization and write-off of debt issuance costs and discount amortization | 18,200 | 76,981 | 498,241 | — | 568,506 | 331,089 | 22,313 | 51,404 | 1,566,734 |
| Amortization of nonrefundable fee income | (20,033) | — | (289,030) | — | (533,144) | (666,768) | — | — | (1,508,975) |
| Accretion on capital appreciation and compound interest bonds | — | — | — | — | — | 123,433 | — | — | 123,433 |
| Changes in account balances: | | | | | | | | | |
| Nonrefundable fees received and commitment fee deposits | (32,917) | — | — | — | — | — | — | — | (32,917) |
| Purchase of mortgage loans | — | — | (208,092,276) | — | — | (15,159,179) | — | (57,799) | (223,309,254) |
| Principal repayments on mortgage loans | — | 1,818,464 | 25,719,746 | — | 38,828,492 | 16,123,638 | 2,204,798 | 3,780,537 | 88,475,675 |
| Accrued interest receivable on loans | — | 10,313 | (1,001,866) | — | 275,194 | 129,347 | 11,372 | 21,293 | (554,347) |
| Other assets | (104,493) | (3,538) | 63,180 | — | — | — | — | — | (44,851) |
| Accounts payable and other liabilities | 79,643 | 212,297 | — | — | (196,800) | 29 | — | — | 95,169 |
| Interfund accounts | 95,452 | — | 6,741,613 | (6,781,933) | (24,390) | (20,175) | (6,849) | (3,718) | — |
| Interfund transfer | (715,551) | — | (3,959,472) | 4,675,023 | — | — | — | — | — |
| Net cash provided (used) by operating activities | 1,815,861 | 2,412,274 | (152,004,239) | (2,106,910) | 44,254,654 | 4,903,323 | 3,131,659 | 6,582,519 | (91,010,859) |

(Continued)

**INDIANA HOUSING FINANCE AUTHORITY**

Statements of Cash Flows

For the years ended December 31, 2000 and 1999

| | | | | | 1999 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | **General Fund Administration** | **General Fund Investments** | **Single Family Mortgage Program Fund** | **Residential Mortgage Program Fund** | **GNMA Mortgage Program Fund** | **Multi-Unit Mortgage Program Fund** | **First Home Mortgage Program Fund** | **Working Families Program Fund** | **Combined** |
| Cash flows from non capital financing activities: | | | | | | | | | | |
| Proceeds from bond issues | $ | — | — | 162,560,000 | — | — | 18,190,000 | — | — | 180,750,000 |
| Proceeds from bank loans | | — | 35,020,000 | — | — | — | — | — | — | 35,020,000 |
| Payments on collateralized bank loans | | — | (56,267,000) | — | — | — | — | — | — | (56,267,000) |
| Debt issuance costs incurred | | — | — | (1,758,877) | — | — | (1,059,302) | — | — | (2,818,179) |
| Repayments and redemption of bonds | | — | — | (36,195,000) | — | (42,990,000) | (16,370,008) | (2,165,000) | (4,255,000) | (101,975,008) |
| Interest paid on bonds and bank loans | | — | (1,497,750) | (33,423,081) | — | (6,295,248) | (2,783,479) | (946,246) | (2,758,885) | (47,704,689) |
| Contribution from Pedcor | | — | — | — | — | — | 286,865 | — | — | 286,865 |
| Contribution from Indiana Affordable Housing | | — | — | — | — | — | 200,000 | — | — | 200,000 |
| Down Payment Assistance Fund contribution | | (350,000) | — | — | — | — | — | — | — | (350,000) |
| Trust fund contribution | | (750,000) | — | — | — | — | — | — | — | (750,000) |
| Net cash provided (used) by non capital financing activities | | (1,100,000) | (22,744,750) | 91,183,042 | — | (49,285,248) | (1,535,924) | (3,111,246) | (7,013,885) | 6,391,989 |
| Cash flows from capital financing activities: | | | | | | | | | | |
| Purchase of furniture and equipment (net of depreciation reimbursement from Program Funds) | | (178,120) | — | — | — | — | — | — | — | (178,120) |
| Net cash provided by capital financing activities | | (178,120) | — | — | — | — | — | — | — | (178,120) |
| Cash flows from investing activities: | | | | | | | | | | |
| Purchases of investments | | (9,695,259) | — | — | — | — | (5,912,063) | — | — | (15,607,322) |
| Interest received on investments | | 1,234,362 | 2,728,943 | 11,260,993 | — | 1,044,944 | 337,216 | 56,846 | 206,188 | 16,869,492 |
| Proceeds from sales or maturities of investments | | 7,456,284 | 31,777,308 | 55,641,795 | — | 5,186,674 | — | 111,502 | 844,177 | 101,017,740 |
| Net cash provided (used) by investing activities | | (1,004,613) | 34,506,251 | 66,902,788 | — | 6,231,618 | (5,574,847) | 168,348 | 1,050,365 | 102,279,910 |
| Increase (decrease) in cash and cash equivalents | | (466,872) | 14,173,775 | 6,081,591 | (2,106,910) | 1,201,024 | (2,207,448) | 188,761 | 618,999 | 17,482,920 |
| Cash and cash equivalents, beginning of year | | 2,576,993 | 211,325 | 33,373,511 | 2,106,910 | — | 6,443,417 | — | — | 44,712,156 |
| Cash and cash equivalents, end of year | $ | 2,110,121 | 14,385,100 | 39,455,102 | — | 1,201,024 | 4,235,969 | 188,761 | 618,999 | 62,195,076 |
| Reconciliation of cash and cash equivalents: | | | | | | | | | | |
| Cash and investments as presented in the balance sheet | | 24,660,684 | 34,547,296 | 152,824,306 | — | 1,951,173 | 11,012,356 | 585,896 | 1,533,427 | 227,115,138 |
| Less: investments with maturities greater than three months | | 22,550,563 | 20,162,196 | 113,369,204 | — | 750,149 | 6,776,387 | 397,135 | 914,428 | 164,920,062 |
| Cash and cash equivalents as presented in the statement of cash flows | $ | 2,110,121 | 14,385,100 | 39,455,102 | — | 1,201,024 | 4,235,969 | 188,761 | 618,999 | 62,195,076 |

See accompanying notes to financial statements.

## (1) Authorizing Legislation and Funds

The Indiana Housing Finance Authority (the Authority) was created in 1978 by an act of the Indiana Legislature (the Act). The Authority has been given numerous powers under the Act, including the power to enter into contracts and agreements, acquire, hold and convey property and issue notes and bonds, for the purpose of financing residential housing for persons and families of low and moderate incomes.

The powers of the Authority are vested by the Act in seven members, four of whom are appointed by the Governor and three of whom serve by virtue of holding other state offices. The three ex officio members are the Director of Department of Commerce, the Treasurer of State and Director of the Department of Financial Institutions. By statute, the Lieutenant Governor is Director of the Indiana Department of Commerce. The Lieutenant Governor and Treasurer of State hold elective positions, and the Director of the Department of Financial Institutions holds an appointive position at the pleasure of the Governor. The Authority is considered a component unit of the State of Indiana and is discretely presented in the State's Financial Statements as determined by the Indiana State Board of Accounts.

The Act empowers the Authority to (1) make or participate in the making of construction loans and mortgage loans to sponsors of federally assisted multi-family residential housing; (2) purchase or participate in the purchase from mortgage lenders, mortgage loans made to persons of low and moderate income for residential housing; and (3) make loans to mortgage lenders for the purpose of furnishing funds to be used for making mortgage loans to persons and families of low and moderate incomes. The Act authorizes the Authority to issue its bonds and notes to carry out its purposes, and neither the Act nor the Bond Trust Indentures establish any limitation as to the aggregate amount of obligations which the Authority may have outstanding.

The Authority's financial statements include the operations of funds that the Authority has established to achieve its purposes under powers granted to it by the Act. The financial transactions of the Authority are recorded in the funds which consist of a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenses as appropriate. The Authority's resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which financial activity is controlled.

### *General Fund - Administration*

The General Fund was established by the Authority to account for all fee income and charges which are not required to be recorded in other funds and for operating expenses of the Authority. In 2000 and 1999, the Authority elected to set aside $32,634,972 and $24,861,100, respectively, of its single family bonding authority for the issuance of Mortgage Credit Certificates primarily to first time home buyers.

### *General Fund - Investments*

The Authority initiated a Collateralized Bank Loan Program in 1993 (see note 6) in its General Fund.

### *Single Family Mortgage Program Fund*

The Single Family Mortgage Program Fund provides for the purchase of mortgage loans made to eligible borrowers for owner occupied housing. Borrowers meeting certain income guidelines may qualify under the Authority's First Home Plus Program which allows the borrower to receive up to 10% of down payment assistance money from the HOME Investment Fund. This is a non-amortizing second mortgage at a 0% interest rate which is forgivable after five years. The Authority has issued forty-one series of Single Family Mortgage Program Bonds (see note 6).

Commencing in June 1980, the Authority entered into mortgage purchase agreements with certain commercial banks, savings and loan associations and mortgage banking companies admitted to do business in the State of Indiana whereby the lenders agreed to originate mortgage loans on newly constructed and existing dwellings meeting criteria established by the Authority and to sell them to the Authority.

### *Residential Mortgage Program Fund*

Established in 1988, the Residential Mortgage Program Fund provides for the purchase of mortgage loans made to eligible borrowers for owner-occupied housing. Mortgage loans are purchased in this fund under the same mortgage purchase agreements with certain commercial banks, savings and loan associations and mortgage banking companies as those in the Single Family Mortgage Program Fund. The Authority has issued one series of Residential Mortgage Program Bonds for the purchase of FHA insured mortgage loans (see note 6). At the Authority's option, a portion of the proceeds from the issuance of the Single Family Mortgage Program 1998 Series D bonds were used to call all of the remaining 1988 RA bonds of the Residential Mortgage Program Fund on January 1, 1999. The remaining mortgage loans of the Residential Mortgage Program Fund were subsequently transferred to the Single Family Mortgage Program Fund 1998 Series D.

### *GNMA Mortgage Program Fund*

Established in 1989, the GNMA Mortgage Program Fund provides for the purchase of mortgage loans securitized by Government National Mortgage Association (GNMA). GNMA is a wholly-owned corporate instrumentality of the United States within the Department of Housing and Urban Development which guarantees the timely payment of principal and interest. GNMA Certificates are collateralized by mortgage loans made to qualified persons and families of low or moderate income to finance the acquisition of residences located in the State of Indiana. The Authority has issued seven series of Single Family Mortgage Revenue Bonds (GNMA Mortgage Program Fund) (see note 6). During 1999, at the Authority's option, a portion of the proceeds from the issuance of the Single Family Mortgage Program 1999 Series X and 1999 Series Y bonds were used to call all of the remaining 1989 Series A bonds of the GNMA Mortgage Program Fund. Mortgage loans in an amount equal to the proceeds received were transferred to the Single Family Mortgage Program Fund 1999 Series X and 1999 Series Y. The remaining mortgage loans of the 1989 Series A of the GNMA Mortgage Program Fund were transferred to the General Fund Administration. During 2000, at the Authority's option, a portion of the proceeds from the issuance of the Single Family Mortgage Program 2000 Series B, 2000 Series C, and 2000 Series D bonds were used to call all of the remaining 1990 Series B, 1990 Series C, 1990 Series D, and 1990 Series F bonds of the GNMA Mortgage Program Fund. Mortgage loans in an amount equal to the proceeds received were transferred to the Single Family Mortgage Program Fund 2000 Series B, 2000 Series C, and 2000 Series D.

***Multi-Unit Mortgage Program Fund***

This fund, established in 1982 under the Multi-Unit Mortgage Program Resolution, uses bond proceeds to provide construction and long-term financing for certain federally assisted multi-unit housing developments intended for occupancy by families and persons of low and moderate incomes. The Authority has issued four series of Multi-Unit Program Bonds and is the special purpose issuer for three series (see note 6).

The Multi-Family Housing Mortgage Revenue Bonds are limited and special obligations of the Authority payable solely from the payments on the mortgage note, certain other payments under the Building Loan Agreement made by the owner and required debt service reserves of the issue. Neither the Bonds nor the obligation to pay the principal or interest thereon constitutes an indebtedness of the Authority or the State of Indiana.

In December 1999, the Authority, as a special purpose issuer, issued $18,190,000 of Multi-Family Housing Revenue Bonds (Indiana Affordable Housing) under a separate closed indenture, which are included in these financial statements as part of the Authority's Multi-Unit Mortgage Program Fund. The proceeds of the bonds are currently being used to finance the acquisition and rehabilitation of five HUD 236 properties located throughout the state of Indiana. The bonds will be backed solely by the revenues from these properties. Fannie Mae has provided a credit enhancement on the loan which ensures the timely payment of principal and interest on payments on the mortgage loan.

In August of 1997, the Authority, as a special purpose issuer, issued $10,000,000 of Multi-Family Housing Mortgage Revenue Bonds (Cumberland Crossing) under a separate closed indenture, which are included in these financial statements as a part of the Authority's Multi-Unit Mortgage Program Fund. The proceeds of the bonds are currently being used to construct a new multi-family residential rental facility containing 232 apartment units. The expended funds are subject to the terms of a loan agreement dated July 1, 1997, and the bonds are secured by two letters of credit issued by the Federal Home Loan Bank that expire August 21, 2007. Pedcor Investments 1997 XXX LP (Pedcor) is responsible for the bond payments from a source of funds outside of the Authority.

In April of 1992, the Authority, as a special purpose issuer, issued $7,230,000 of Multi-Family Housing Mortgage Revenue Bonds (Hunter's Run) under a separate closed indenture, which are included in these financial statements as a part of the Authority's Multi-Unit Mortgage Program Fund. The proceeds of the bonds, after funding the required reserves, were used by the project owner to acquire and rehabilitate an existing multi-family residential rental facility containing 304 apartment units. The expended funds are subject to a mortgage loan amortizable over 40 years commencing October 1, 1993. The permanent mortgage is insured by the Federal Housing Administration pursuant to the provisions of Section 221 (d) (4) of the National Housing Act of 1934.

In connection with the Multi-Unit Mortgage Programs, borrowers may be required to make contributions to the Fund. Such contributions were $351,048 for the year ended December 31, 2000 and $486,865 for the year ended December 31, 1999.

***First Home Mortgage Program Fund***

Established in 1994, the First Home Indenture provides for the purchase of low-income mortgage loans which are securitized by the Federal National Mortgage Association (FNMA) which guarantees the timely payment of principal and interest. FNMA is a federally chartered stockholder-owned, privately managed corporation which works to provide liquidity to the residential mortgage market. The FNMA Certificates are collateralized by mortgage loans made to qualified persons and families of low income to finance the acquisition of single family residences in the State of Indiana. This program was facilitated by a Down Payment Assistance Program from the federal HOME Investment Fund, which provided a 20% second mortgage at 0% interest. Therefore, the Authority offered 100% financing to all participants in this program. The Authority has issued four series in this Indenture which were privately placed with FNMA.

***Working Families Program Fund***

Established in December of 1994, this Indenture originally provided for the preservation of bond volume in the short term. A portion of the Convertible Option Bonds (COB) were remarketed into a single family mortgage program within this Indenture. The loans of the program are collateralized by FNMA and GNMA certificates. As a part of the remarketing of the COB, in July 1996 the Authority issued two series within this Indenture. Approximately eighty percent of the bond proceeds are utilized under the same guidelines as the Authority's Single Family Mortgage Program Fund.

The remaining twenty percent of the bond proceeds have been set aside for a special program referred to as the Working Families Program. This program allows for down payment assistance of 10% in addition to the 10% assistance described in the Single Family Mortgage Program Fund. The source of these additional funds is the positive arbitrage earned under the original COB investments and bonds. These arbitrage funds are loaned to the qualified borrower at 0% and are payable to the Authority upon payoff of the first mortgage.

## (2) Summary of Significant Accounting Policies

***(a) Basis of Presentation***

The Authority's financial statements have been prepared on the basis of the Governmental Proprietary Fund concept as set forth in Statement 1 of the Governmental Accounting Standards Board (GASB). The Governmental Proprietary Fund concept provides that financial activities operated similarly to private business enterprises and financed through fees and charges assessed primarily to users of the services be presented as a single proprietary fund. The financial statements have been prepared using the accrual method of accounting.

In accordance with the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Authority has elected, in addition to applying Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board opinions, and Accounting Research Bulletins issued on or before November 30, 1989, to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

### *(b) Investment Securities*

In March 1997, the Governmental Accounting Standards Board (GASB) issued Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools,* (Statement No. 31) effective for fiscal years beginning after June 15, 1997. Statement No. 31 requires investment securities, including mortgage backed securities, to be recorded at fair value and the unrealized gains or losses reported in the Statements of Revenues, Expenses, and Changes in Equity.

The Authority adopted the provisions of Statement No. 31 effective January 1, 1998. This statement was applied retroactively, and the 1997 financial statements were restated to reflect this adoption. As a result of the retroactive adoption, beginning combined 1997 equity was increased by $2,292,821 and net income decreased $868,210 for the year ended December 31, 1998, and increased $1,150,279 for the year ended December 31, 1997.

Following is a summary of the effect of adopting Statement No. 31 on total assets, equity and net income for 2000 and 1999:

| | Total Assets | | | |
|---|---|---|---|---|
| | 2000 | | 1999 | |
| | With Statement No. 31 | Without Statement No. 31 | With Statement No. 31 | Without Statement No. 31 |
| General Fund Administration | $ 28.525.771 | 28.404.141 | 26.655.604 | 27.024.703 |
| General Fund Investments | 27.529.987 | 26.747.105 | 40.072.786 | 39.075.277 |
| Single Family Mortgage Program Fund | 883,975,412 | 891,128,098 | 678,320,303 | 713,054,182 |
| Residential Mortgage Program Fund | — | — | — | — |
| GNMA Mortgage Program Fund | 5,064,058 | 4,932,163 | 63,644,579 | 62,608,065 |
| Multi-Unit Mortgage Program Fund | 46,645,133 | 46,762,952 | 47,664,741 | 47,617,194 |
| First Home Mortgage Program Fund | 13.154.312 | 13.143.828 | 14.090.127 | 14.715.336 |
| Working Families Program Fund | 39,599,750 | 39,428,192 | 42,463,239 | 44,105,444 |
| Combined | $ 1,044,494,423 | 1,050,546,479 | 912,911,379 | 948,200,201 |

| | Total Equity | | | |
|---|---|---|---|---|
| | 2000 | | 1999 | |
| | With Statement No. 31 | Without Statement No. 31 | With Statement No. 31 | Without Statement No. 31 |
| General Fund Administration | $ 27,774,022 | 27,652,392 | 25,805,291 | 26,174,390 |
| General Fund Investments | 15,299,211 | 14,516,329 | 13,222,489 | 12,224,980 |
| Single Family Mortgage Program Fund | 76,292,450 | 83,445,136 | 40,871,857 | 75,605,736 |
| Residential Mortgage Program Fund | — | — | — | — |
| GNMA Mortgage Program Fund | 5,064,058 | 4,932,163 | 6,529,189 | 5,492,675 |
| Multi-Unit Mortgage Program Fund | 3,439,037 | 3,556,856 | 2,971,166 | 2,923,619 |
| First Home Mortgage Program Fund | 269,312 | 258,828 | (359,873) | 265,336 |
| Working Families Program Fund | 2,249,321 | 2,077,763 | 518,266 | 2,160,471 |
| Combined | $ 130,387,411 | 136,439,467 | 89,558,385 | 124,847,207 |

| | Net Income (Loss) | | | |
|---|---|---|---|---|
| | 2000 | | 1999 | |
| | With Statement No. 31 | Without Statement No. 31 | With Statement No. 31 | Without Statement No. 31 |
| General Fund Administration | $ 4,352,960 | 3,862,231 | 3,382,553 | 3,804,578 |
| General Fund Investments | 2,076,722 | 2,291,349 | 746,456 | 1,507,411 |
| Single Family Mortgage Program Fund | 34,245,385 | 6,744,858 | (26,954,901) | 5,874,021 |
| Residential Mortgage Program Fund | — | — | — | — |
| GNMA Mortgage Program Fund | (1,374,152) | (888,238) | (2,439,742) | (97,231) |
| Multi-Unit Mortgage Program Fund | 116,823 | (7,188) | 1,379,431 | 1,535,753 |
| First Home Mortgage Program Fund | 629,185 | (6,508) | (24,074) | 31,028 |
| Working Families Program Fund | 1,731,055 | 206,669 | (991,162) | 238,105 |
| Combined | $ 41,777,978 | 12,203,173 | (24,901,439) | 12,893,665 |



(Continued)

### *(c) Asset Restrictions*

All assets and revenues of the Single Family, GNMA, Collateralized Home Mortgage, Multi-Unit Mortgage, First Home, and Working Families Program Funds are restricted or pledged as provided by the bond resolutions and indentures of the trust agreements. Assets of the General Fund are not restricted or pledged except as described in notes 3 and 6.

### *(d) Bond Issuance Costs*

Bond issuance costs are deferred and amortized over the contractual life of the respective bond issue based on the interest method.

### *(e) Original Issue Discounts*

Original issue discounts on bonds are amortized using the interest method, over the life of the bonds to which they relate.

### *(f) Capital Appreciation Bonds*

No interest is paid to holders of Capital Appreciation Bonds (CABS). The CABS accrete at an annual compounded rate of 10% for the Multi-Unit 1985 Series A. Accumulated accretion and interest is included in the accompanying balance sheet as Bonds Payable.

### *(g) Office Furniture and Equipment*

Office furniture and equipment is stated at cost less accumulated depreciation. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets.

### *(h) Nonrefundable Fees*

Nonrefundable fees received (commitment and buy-down fees) and direct costs associated with originating mortgage loans are deferred and recognized over the life of the mortgage loans.

### *(i) Other Program Fees*

Fees for Mortgage Credit Certificate and Mortgage Revenue Bond Programs are recorded as fee income in the General Fund as certificates are issued. Low Income Housing Tax Credit fees are recognized as applications are submitted.

### *(j) Provision for Possible Loan Losses*

No provision for possible loan losses has been made because the Authority has purchased mortgage pool insurance on its loans, or they are fully insured by the FHA, as described in note 5. The remaining loans have been pooled into FNMA or GNMA mortgage-backed securities which ensures the timely payment of principal and interest on the underlying mortgage loans.



(Continued)

### *(k) Bonds, Bank Loans and Interest Payable*

Bond principal, bank loan principal and interest payments due on January 1 of the following fiscal year are considered paid as of December 31.

### *(l) Allocation of Expenses Among Funds*

The Single Family, GNMA, First Home, Multi-Unit Mortgage, and Working Families Programs, provide that funds may be transferred to the General Fund for the purpose of paying reasonable and necessary program expenses.

### *(m) Cash and Cash Equivalents*

For purposes of reporting cash flows, cash and cash equivalents include cash on hand and on deposit and investments with a maturity of three months or less.



(Continued)

**(3) Restricted Cash and Restricted Investments**

The Trust Indentures between the Authority and the Program Trustee established special accounts for the segregation of assets and restriction of the use of bond proceeds and certain other funds received. As of December 31, 2000 and 1999, the assets of all accounts equaled or exceeded the requirements as established by the Indentures. Such assets are restricted for the following purposes:

| | Restricted Cash and Investments | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | December 31, 2000 | | | | | | | | | |
| | General Fund Administration | General Fund Investments | Single Family Mortgage Program Fund | Residential Mortgage Program Fund | GNMA Mortgage Program Fund | Multi-Unit Mortgage Program Fund | First Home Mortgage Program Fund | Working Families Program Fund | Combined | December 31, 1999 Combined |
| Refundable Reservation Fee Escrow Accounts | $ 267,369 | — | — | — | — | — | — | — | 267,369 | 622,037 |
| Loan or Bond Proceeds Accounts - Payment of issuance costs and purchase of qualified mortgage loans | — | — | 81,189,891 | — | — | 1,165,076 | — | 84,094 | 82,439,061 | 74,830,417 |
| Revenue Accounts-Deposit of Program revenues for debt service payments and Program expense disbursements | — | 4,896,373 | 70,759,414 | — | 1,467,126 | 1,523,213 | 520,105 | 903,156 | 80,069,387 | 80,544,442 |
| Mortgage Reserve Accounts-Payment of expenses incurred in protecting the Authority's interest in mortgage loans, including property repair and improvement | — | 34,695 | 2,306,504 | — | — | 156,936 | — | — | 2,498,135 | 2,415,188 |
| Debt Service Reserve Accounts-Equal to the maximum annual amount of debt service requirements on outstanding bonds during current or any future calendar year, a percentage of mortgage loans receivable under the indenture, or the amount of designated as debt service reserve accounts bonds | — | — | 23,275,576 | — | — | 3,470,119 | — | — | 26,745,695 | 24,559,936 |
| Loan Loss Escrow Account-Established to reserve for mortgage loan defaults not covered by the Federal Department of Housing and Urban Development, and shall be maintained at one-half of one percent of the outstanding principal balance of loans purchased | 21,464 | — | — | — | — | — | — | — | 21,464 | 30,875 |
| Rebate arbitrage account (Hunter's Run) | — | — | — | — | — | 14,094 | — | — | 14,094 | 12,100 |
| Original ADFA investment | — | 1 | — | — | — | — | — | — | 1 | 16,957 |
| Earn Out account (Indiana Affordable Housing, Inc.) | — | — | — | — | — | 412,478 | — | — | 412,478 | 400,000 |
| Investments collateralizing debt obligations | — | 17,145,934 | — | — | — | — | — | — | 17,145,934 | 19,675,414 |
| | $ 288,833 | 22,077,003 | 177,531,385 | — | 1,467,126 | 6,741,916 | 520,105 | 987,250 | 209,613,618 | ########## |

(Continued)

## (4) Cash and Investments

A summary of cash and investments as of December 31, 2000 and 1999 follows:

| | 2000 | | | |
|---|---|---|---|---|
| | **Category 1** | **Category 3** | **Total Fair Value** | **Cost** |
| Cash and collateralized repurchase agreements | $ 39,120,121 | 432,317 | 39,552,438 | 39,552,438 |
| Certificates of deposit | 911,552 | 6,117 | 917,669 | 917,669 |
| U.S. Treasury Bonds and Notes | 14,787,988 | — | 14,787,988 | 12,168,954 |
| Federal agency obligations | 58,421,509 | — | 58,421,509 | 57,374,493 |
| Guaranteed investment contracts and other | 121,112,309 | — | 121,112,309 | 121,112,309 |
| | $ 234,353,479 | 438,434 | 234,791,913 | 231,125,863 |

| | 1999 | | | |
|---|---|---|---|---|
| | **Category 1** | **Category 3** | **Total Fair Value** | **Cost** |
| Cash and collateralized repurchase agreements | $ 60,465,927 | 1,029,147 | 61,495,074 | 61,495,074 |
| Certificates of deposit | 700,000 | — | 700,000 | 700,000 |
| U.S. Treasury Bonds and | | | — | |
| Notes | 13,530,825 | — | 13,530,825 | 12,051,293 |
| Federal agency obligations | 50,587,592 | — | 50,587,592 | 50,237,723 |
| Guaranteed investment | | | — | |
| contracts and other | 100,801,647 | — | 100,801,647 | 100,801,647 |
| | $ 226,085,991 | 1,029,147 | 227,115,138 | 225,285,737 |

The Authority's cash and collateralized repurchase agreements are insured in full by the combination of Federal deposit insurance and the Indiana Public Deposit Insurance Fund. The Authority's investments are categorized by the level of custodial credit risk assumed. Category 1 includes investments insured or registered or held by the entity, its agent or its trustee in the Authority's name. Category 3 includes bank balances that are not collateralized or insured but are held by the Authority's banks. The Bond Indentures permit investments in the direct obligations of, or obligations guaranteed by, the United States of America, obligations issued by certain agencies of the Federal government, and investments collateralized by those types of investments. At December 31, 2000, all investments held by the Authority were in compliance with the requirements of the Indentures.



(Continued)

## (5) Mortgage Loans Receivable

The Single Family Mortgage Program requires that mortgage loans shall be made to borrowers whose adjusted family income does not exceed 125% of the median income for the borrower's geographic area. At least 40% of the mortgage loans purchased by the Authority must be loans to borrowers whose income is below 80% of the median income for the borrower's geographic area. In addition, Section 103A of the Internal Revenue Code specifies certain requirements with respect to the nature of the residence, mortgage and eligibility of the borrower.

The Single Family Mortgage Program Bond Trust Indenture requires that all mortgage loans be insured by the FHA, VA or, if the loan to value ratio is greater than 80%, by an approved private mortgage insurer.

The Indenture also requires pool insurance ranging from 10% to 25% of the initial principal amount of mortgage loans to be purchased. The Authority has obtained mortgage pool insurance covering net losses on all mortgage loans financed from the proceeds of the 1980 through 1987 Single Family Mortgage Program bonds.

The proceeds of the 1992 through 2000 Single Family and Working Family bonds were used to purchase GNMA and FNMA certificates collaterallized by mortgage loans approved under the guidelines of the Single Family Mortgage Program.

All of the mortgages in the Multi-Unit Mortgage Program Fund except Cumberland Crossing and Indiana Affordable Housing are insured by the FHA. The mortgages are insured under the FHA 221-(d)-4 program. The bonds in the Cumberland Crossing Series are secured by two letters of credit. The mortgage in the Indiana Affordable Housing Series is secured by FNMA under a credit facility.

The Residential Mortgage Program requires that, except with respect to mortgage loans financed for homes located in targeted areas, all borrowers must have family incomes which are 115% or less, of the greater of the borrower's geographic area's median family income or the statewide median family income. Additionally, no less than two-thirds of the bond proceeds which are used to finance targeted residences shall be for borrowers whose family income is less than 140% of the applicable geographic area's median family income. All mortgages under the Residential Mortgage Program are fully insured by the FHA. All mortgages remaining in the Residential Mortgage Program were transferred to the Single Family Mortgage Program Fund in 1999.

Mortgage loans which collateralize the GNMA Certificates purchased by the Authority under the GNMA Mortgage Program must meet the same requirements as those purchased under the Residential Mortgage Program and are also fully insured by the FHA.

Mortgage loans which collateralize the FNMA certificates purchased by the Authority under the First Home Mortgage Program requires that the loans be made to first-time home owners and meet the standard requirements for FNMA underwritten mortgages, as well as U.S. Department of Housing and Urban Development (HUD) guidelines.

The financing periods of the mortgage loans financed through the Single Family, Residential, GNMA, First Home, and Working Families Mortgage Programs vary in duration from twenty-five to thirty years (principally thirty years). The financing rates at December 31, 2000, are as follows:

| Single Family Mortgage Program | Mortgage Rate | Certificate Rate |
|---|---|---|
| 1985 Series B | 6.875% to 13.880% | |
| 1987 Series C | 8.950% to 9.470% | |
| 1992 Series A | 7.875% to 13.875% | 6.775% to 6.900% |
| 1995 Series A | 7.440% to 7.540% | 6.935% to 6.940% |
| 1995 Series B | 6.750% to 9.940% | 6.245% to 6.250% |
| 1995 Series C | 6.650% to 10.700% | 6.135% to 6.150% |
| 1996 Series A | 7.150% to 7.250% | 6.625% to 6.650% |
| 1996 Series D | 6.250% to 9.940% | 5.750% to 6.650% |
| 1997 Series A | 6.250% to 8.500% | 5.750% to 6.400% |
| 1997 Series B | 6.000% to 7.375% | 5.415% to 6.875% |
| 1997 Series C | 6.250% to 7.310% | 5.750% to 6.760% |
| 1997 Series D | 6.875% to 7.250% | 6.250% to 6.700% |
| 1998 Series A | 6.000% to 7.500% | 5.415% to 7.000% |
| 1998 Series B | 6.500% to 7.540% | 5.915% to 7.000% |
| 1998 Series C | 6.000% to 7.500% | 5.415% to 7.000% |
| 1998 Series D | 6.000% to 8.900% | 5.415% to 6.250% |
| 1999 Series A | 6.000% to 7.750% | 5.415% to 7.000% |
| 1999 Series X | 6.000% to 8.900% | 5.415% to 8.400% |
| 1999 Series Y | 6.000% to 8.900% | 5.415% to 8.400% |
| 1999 Series Z | 6.040% to 7.790% | 5.415% to 7.165% |
| 2000 Series A | 6.500% to 8.000% | 6.000% to 7.500% |
| 2000 Series B | 6.250% to 8.350% | 5.665% to 7.850% |
| 2000 Series C | 7.250% to 8.350% | 6.000% to 7.850% |
| 2000 Series D | 8.200% to 8.500% | 7.720% to 8.040% |

| GNMA Mortgage Program | Mortgage Rate | Certificate Rate |
|---|---|---|
| 1990 Series A | 8.54% | 8.04% |

| First Home Program | Mortgage Rate | Certificate Rate |
|---|---|---|
| 1994 Series A | 6.75% to 6.90% | 6.13% to 6.28% |
| 1994 Series B | 6.75% | 6.13% |
| 1994 Series C | 6.65% | 6.03% |
| 1994 Series D | 6.65% to 6.80% | 6.03% to 6.18% |

| Working Families Program Fund | Mortgage Rate | Certificate Rate |
|---|---|---|
| 1994 Series D | 7.380% to 7.480% | 6.855% to 6.88% |
| 1996 Series B | 7.380% to 7.480% | 6.855% to 6.88% |

GNMA and FNMA certificates, which are included in the mortgage loan receivable balance as presented in the balance sheet, fall under the requirements set forth by the adoption of GASB Statement No. 31. The table below shows the impact of GASB Statement No. 31 on the mortgage loan receivable balance by indenture.

| | 2000 | |
|---|---|---|
| | **Fair Value** | **Cost** |
| General Fund Investments | $ 4,182,438 | 4,182,438 |
| Single Family Mortgage Program Fund | 695,330,722 | 705,073,387 |
| GNMA Mortgage Program Fund | 3,545,907 | 3,414,012 |
| Multi-Unit Mortgage Program Fund | 38,959,085 | 38,959,085 |
| First Home Mortgage Program Fund | 12,492,868 | 12,482,384 |
| Working Families Program Fund | 38,131,697 | 38,249,516 |
| Combined | $ 792,642,717 | 802,360,822 |

| | 1999 | |
|---|---|---|
| | **Fair Value** | **Cost** |
| General Fund Investments | $ 5,148,705 | 5,148,705 |
| Single Family Mortgage Program Fund | 516,130,537 | 552,017,860 |
| GNMA Mortgage Program Fund | 61,364,457 | 60,327,943 |
| Multi-Unit Mortgage Program Fund | 35,731,341 | 35,731,341 |
| First Home Mortgage Program Fund | 13,297,705 | 13,922,914 |
| Working Families Program Fund | 40,368,893 | 42,011,098 |
| Combined | $ 672,041,638 | 709,159,861 |

## (6) Bonds Payable

Bonds payable at December 31, 2000 and 1999 consisted of (dollars in thousands):

| Single Family Mortgage Program Fund | Original Amount | Balance 2000 | Balance 1999 |
|---|---|---|---|
| 1992 A Refunding: | | | |
| Serial bonds (5.90% to 6.35%), due 1999 – 2002 | $ 17,740 | 2,455 | 3,970 |
| Term bonds (6.60%), due 2005 | 8,775 | 5,610 | 5,610 |
| Term bonds (6.75%), due 2009 | 16,885 | 10,780 | 10,780 |
| Term bonds (6.80%), due 2016 | 38,745 | 24,725 | 24,725 |
| | 82,145 | 43,570 | 45,085 |
| 1995 Series A: | | | |
| Serial bonds (5.00% to 6.00%), due 1999 – 2008 | 7,095 | 4,685 | 5,490 |
| Term bonds (6.45%), due 2014 | 5,075 | 4,775 | 5,075 |
| Term bonds (6.25%), due 2016 | 4,230 | 3,980 | 4,230 |
| Term bonds (6.10%), due 2025 | 6,000 | — | 620 |
| Term bonds (6.60%), due 2026 | 12,600 | 11,855 | 12,600 |
| | 35,000 | 25,295 | 28,015 |
| 1995 Series B: | | | |
| Serial bonds (4.70% to 5.75%), due 1999 – 2008 | 12,725 | 6,110 | 7,425 |
| Term bonds (6.125%), due 2014 | 8,285 | 5,685 | 6,270 |
| Term bonds (6.15%), due 2017 | 3,825 | 2,620 | 2,880 |
| Term bonds (6.30%), due 2020 | 3,440 | 2,350 | 2,585 |
| Term bonds (6.30%), due 2022 | 3,900 | 2,690 | 2,965 |
| Term bonds (6.30%), due 2027 | 9,760 | 6,660 | 7,355 |
| | 41,935 | 26,115 | 29,480 |
| 1995 Series C: | | | |
| Serial bonds (4.60% to 5.55%), due 1999 – 2008 | 10,500 | 6,865 | 8,290 |
| Term bonds (5.25%), due 2012 | 8,680 | — | — |
| Term bonds (5.95%), due 2015 | 10,475 | 10,475 | 10,475 |
| Term bonds (5.80%), due 2026 | 14,885 | 8,280 | 11,600 |
| Term bonds (6.15%), due 2027 | 15,460 | 15,460 | 15,460 |
| | 60,000 | 41,080 | 45,825 |

| Bonds payable, continued | Original Amount | Balance 2000 | Balance 1999 |
|---|---|---|---|
| 1996 Series A: | | | |
| Serial bonds (4.65% to 6.05%), due 1999 – 2010 | 7,625 | 4,845 | 5,595 |
| Term bonds (5.95%), due 2013 | 2,450 | 2,360 | 2,360 |
| Term bonds (6.25%), due 2018 | 4,965 | 4,750 | 4,775 |
| Term bonds (5.55%), due 2021 | 4,960 | 695 | 2,420 |
| Term bonds (6.25%), due 2028 | 15,000 | 14,390 | 14,440 |
| | 35,000 | 27,040 | 29,590 |
| 1996 Series D: | | | |
| Serial bonds (4.35% to 5.55%), due 1999 – 2008 | 8,525 | 5,210 | 6,145 |
| Term bonds (6.05%), due 2015 | 6,890 | 6,320 | 6,445 |
| Term bonds (6.35%), due 2021 | 10,015 | 9,155 | 9,370 |
| Term bonds (6.35%), due 2025 | 8,710 | 7,960 | 8,145 |
| Term bonds (5.70%), due 2028 | 7,045 | 3,730 | 4,995 |
| | 41,185 | 32,375 | 35,100 |
| 1997 Series A-1: | | | |
| Term bonds (5.10%) due 2016 | 8,870 | 6,915 | 7,870 |
| | 8,870 | 6,915 | 7,870 |
| 1997 Series A-2: | | | |
| Serial bonds (4.10% to 5.40%) due 1999 – 2008 | 7,115 | 4,655 | 5,585 |
| Term bonds (6.00%) due 2019 | 3,710 | 3,215 | 3,375 |
| Term bonds (6.10%) due 2022 | 4,765 | 4,125 | 4,335 |
| Term bonds (6.10%) due 2028 | 10,000 | 8,645 | 9,095 |
| | 25,590 | 20,640 | 22,390 |
| 1997 Series B-1: | | | |
| Taxable term bonds (7.26%) due 2012 | 5,000 | 1,540 | 2,985 |
| | 5,000 | 1,540 | 2,985 |
| 1997 Series B-2: | | | |
| Term bonds (6.00%) due 2016 | 3,025 | 3,025 | 3,025 |
| Term bonds (6.125%) due 2026 | 11,890 | 11,890 | 11,890 |
| Term bonds (6.15%) due 2029 | 5,085 | 5,085 | 5,085 |
| | 20,000 | 20,000 | 20,000 |
| 1997 Series C-1: | | | |
| Taxable term bond (floating rate) due 2027 | 8,940 | 5,700 | 7,180 |
| | 8,940 | 5,700 | 7,180 |

| Bonds payable, continued | Original Amount | Balance 2000 | Balance 1999 |
|---|---|---|---|
| 1997 Series C-2: | | | |
| Term bonds (5.70%) due 2016 | 1,905 | 1,815 | 1,865 |
| | 1,905 | 1,815 | 1,865 |
| 1997 Series C-3: | | | |
| Serial bonds (4.25% to 5.25%) due 1999 – 2006 | 1,060 | 855 | 1,000 |
| Term bonds (5.85%) due 2014 | 4,460 | 4,255 | 4,370 |
| Term bonds (5.95%) due 2028 | 18,635 | 17,770 | 18,265 |
| | 24,155 | 22,880 | 23,635 |
| 1997 Series D-1: | | | |
| Taxable term bonds (6.94%) due 2019 | 14,680 | 12,815 | 14,010 |
| | 14,680 | 12,815 | 14,010 |
| 1997 Series D-2: | | | |
| Term bonds (5.85%) due 2020 | 960 | 960 | 960 |
| Term bonds (5.875%) due 2024 | 6,450 | 6,450 | 6,450 |
| Term bonds (5.90%) due 2026 | 4,840 | 4,840 | 4,840 |
| Term bonds (5.90%) due 2030 | 8,070 | 8,070 | 8,070 |
| | 20,320 | 20,320 | 20,320 |
| 1998 Series A-1: | | | |
| Taxable term bonds (6.18%) due 2029 | 7,035 | 6,000 | 6,650 |
| | 7,035 | 6,000 | 6,650 |
| 1998 Series A-2: | | | |
| Serial bonds (4.85% to 4.95%) due 2010 – 2011 | 875 | 865 | 875 |
| Term bonds (5.15%) due 2017 | 5,625 | 5,595 | 5,625 |
| | 6,500 | 6,460 | 6,500 |
| 1998 Series A-3: | | | |
| Serial bonds (4.10% to 5.05%) due 2000 – 2010 | 4,665 | 4,280 | 4,550 |
| Term bonds (5.375%) due 2022 | 7,000 | 6,965 | 7,000 |
| Term bonds (5.375%) due 2029 | 9,800 | 9,750 | 9,800 |
| | 21,465 | 20,995 | 21,350 |
| 1998 Series B-1: | | | |
| Taxable term bonds (6.45%) due 2029 | 15,000 | 13,065 | 14,290 |
| | 15,000 | 13,065 | 14,290 |



(Continued)

| Bonds payable, continued | Original Amount | Balance 2000 | Balance 1999 |
|---|---|---|---|
| 1998 Series B-2: | | | |
| Term bonds (5.40%) due 2016 | 4,285 | 3,870 | 4,075 |
| | 4,285 | 3,870 | 4,075 |
| 1998 Series B-3: | | | |
| Serial bonds (4.35% to 5.20%) due 2000 – 2010 | 3,035 | 2,540 | 2,765 |
| Term bonds (5.55%) due 2024 | 8,860 | 7,995 | 8,395 |
| Term bonds (5.55%) due 2030 | 10,000 | 8,945 | 9,435 |
| | 21,895 | 19,480 | 20,595 |
| 1998 Series C-1: | | | |
| Taxable term bonds (6.07%) due 2025 | 7,300 | 6,185 | 7,245 |
| | 7,300 | 6,185 | 7,245 |
| 1998 Series C-2: | | | |
| Term bonds (5.25%) due 2017 | 3,710 | 3,565 | 3,595 |
| | 3,710 | 3,565 | 3,595 |
| 1998 Series C-3: | | | |
| Serial bonds (4.00% to 5.15%) due 2000 – 2011 | 4,730 | 4,300 | 4,610 |
| Term bonds (5.30%) due 2013 | 1,655 | 1,590 | 1,605 |
| Term bonds (5.45%) due 2028 | 270 | 265 | 265 |
| Term bonds (4.75%) due 2028 | 5,000 | 4,090 | 4,520 |
| Term bonds (5.45%) due 2029 | 13,425 | 12,945 | 13,055 |
| | 25,080 | 23,190 | 24,055 |
| 1998 Series D-1: | | | |
| Term bonds (5.15%) due 2017 | 3,710 | 3,375 | 3,500 |
| | 3,710 | 3,375 | 3,500 |
| 1998 Series D-2: | | | |
| Serial bonds (3.90% to 4.90%) due 2001 – 2010 | 3,720 | 3,380 | 3,500 |
| Term bonds (5.25%) due 2028 | 10,000 | 10,000 | 10,000 |
| Term bonds (5.35%) due 2028 | 145 | 65 | 140 |
| Term bonds (4.625%) due 2030 | 13,000 | 10,480 | 12,095 |
| Term bonds (5.35%) due 2030 | 4,195 | 3,820 | 3,955 |
| | 31,060 | 27,745 | 29,690 |
| 1999 Series A-1: | | | |
| Term bonds (5.05%) due 2017 | 4,280 | 4,280 | 4,280 |
| | 4,280 | 4,280 | 4,280 |



(Continued)

| Bonds payable, continued | Original Amount | Balance 2000 | Balance 1999 |
|---|---|---|---|
| 1999 Series A-2: | | | |
| Serial bonds (3.95% to 5.00%) due 2001 – 2011 | 5,035 | 5,035 | 5,035 |
| Term bonds (5.25%) due 2029 | 235 | 235 | 235 |
| Term bonds (4.70%) due 2029 | 8,000 | 7,605 | 8,000 |
| Term bonds (5.25%) due 2030 | 17,450 | 17,450 | 17,450 |
| | 30,720 | 30,325 | 30,720 |
| 1999 Series X-1: | | | |
| Term bonds (5.96%) due 2030 | 10,000 | 9,550 | 9,995 |
| | 10,000 | 9,550 | 9,995 |
| 1999 Series X-2: | | | |
| Serial bonds (3.90% to 5.00%) due 2001 – 2012 | 2,725 | 2,720 | 2,720 |
| Term bonds (5.15%) due 2019 | 4,900 | 4,885 | 4,885 |
| Term bonds (4.55%) due 2030 | 9,000 | 7,130 | 8,365 |
| Term bonds (5.30%) due 2031 | 15,035 | 14,955 | 14,990 |
| | 31,660 | 29,690 | 30,960 |
| 1999 Series Y-1: | | | |
| Term bonds (6.86%) due 2031 | 15,000 | 14,490 | 14,995 |
| | 15,000 | 14,490 | 14,995 |
| 1999 Series Y-2: | | | |
| Term bonds (5.35%) due 2013 | 1,290 | 1,260 | 1,290 |
| Term bonds (5.50%) due 2019 | 4,655 | 4,550 | 4,655 |
| | 5,945 | 5,810 | 5,945 |
| 1999 Series Y-3: | | | |
| Serial bonds (4.25% to 5.35%) due 2002 - 2012 | 2,955 | 2,890 | 2,955 |
| Term bonds (5.05%) due 2030 | 7,650 | 7,030 | 7,575 |
| Term bonds (5.65%) due 2031 | 14,635 | 14,315 | 14,635 |
| | 25,240 | 24,235 | 25,165 |
| 1999 Series Z-1: | | | |
| Term bonds (7.09%) due 2029 | 13,000 | 12,710 | 13,000 |
| | 13,000 | 12,710 | 13,000 |
| 1999 Series Z-2: | | | |
| Term bonds (5.55%) due 2013 | 545 | 545 | 545 |
| | 545 | 545 | 545 |



(Continued)

| Bonds payable, continued | Original Amount | Balance 2000 | Balance 1999 |
|---|---|---|---|
| 1999 Series Z-3: | | | |
| Serial bonds (4.50% to 5.70%) due 2002 - 2012 | 2,710 | 2,710 | 2,710 |
| Term bonds (5.95%) due 2019 | 3,475 | 3,475 | 3,475 |
| Term bonds (5.65%) due 2030 | 5,040 | 4,990 | 5,040 |
| Term bonds (6.05%) due 2030 | 13,165 | 13,165 | 13,165 |
| Term bonds (6.05%) due 2031 | 1,780 | 1,780 | 1,780 |
| | 26,170 | 26,120 | 26,170 |
| 2000 Series A-1: | | | |
| Term bonds (7.75%) due 2030 | 15,000 | 15,000 | — |
| | 15,000 | 15,000 | — |
| 2000 Series A-2: | | | |
| Term bonds (6.25%) due 2019 | 4,430 | 4,430 | — |
| | 4,430 | 4,430 | — |
| 2000 Series A-3: | | | |
| Serial bonds (4.85% to 5.80%) due 2002 - 2010 | 1,930 | 1,930 | — |
| Term bonds (6.45%) due 2030 | 13,220 | 13,220 | — |
| PAC bonds (5.90%) due 2030 | 5,420 | 5,405 | — |
| | 20,570 | 20,555 | — |
| 2000 Series B-1: | | | |
| PAC bonds (7.57%) due 2030 | 15,000 | 14,960 | — |
| | 15,000 | 14,960 | — |
| 2000 Series B-2: | | | |
| Serial bonds (4.70% to 5.65%) due 2001 - 2012 | 4,815 | 4,815 | — |
| Terms bonds (6.00%) due 2019 | 5,880 | 5,880 | — |
| Terms bonds (6.10%) due 2030 | 15,000 | 15,000 | — |
| Terms bonds (6.10%) due 2031 | 4,700 | 4,700 | — |
| PAC bonds (5.55%) due 2031 | 10,950 | 9,975 | — |
| | 41,345 | 40,370 | — |
| 2000 Series C-1: | | | |
| PAC bonds (7.85%) due 2031 | 15,000 | 15,000 | — |
| | 15,000 | 15,000 | — |
| 2000 Series C-2: | | | |
| Terms bonds (5.875%) due 2017 | 9,440 | 9,440 | — |
| | 9,440 | 9,440 | — |



(Continued)

| **Bonds payable, continued** | **Original Amount** | **Balance 2000** | **Balance 1999** |
|---|---|---|---|
| 2000 Series C-3: | | | |
| Serial bonds (4.90% to 5.60%) due 2001 - 2009 | 2,385 | 2,385 | — |
| Term bonds (5.45%) due 2009 | 2,615 | 2,495 | — |
| Term bonds (6.125%) due 2019 | 1,725 | 1,725 | — |
| PAC bonds (5.65%) due 2030 | 11,000 | 10,865 | — |
| Term bonds (6.30%) due 2030 | 5,000 | 5,000 | — |
| Term bonds (6.30%) due 2031 | 10,265 | 10,265 | — |
| | 32,990 | 32,735 | — |
| 2000 Series D-1: | | | |
| PAC bonds (7.34%) due 2030 | 15,000 | 15,000 | — |
| | 15,000 | 15,000 | — |
| 2000 Series D-2: | | | |
| Serial bonds (4.80% to 5.15%) due 2007 - 2012 | 3,700 | 3,700 | — |
| Term bonds (5.625%) due 2017 | 5,795 | 5,795 | — |
| | 9,495 | 9,495 | — |
| 2000 Series D-3: | | | |
| Serial bonds (4.60% to 5.05%) due 2001 to 2007 | 2,355 | 2,355 | — |
| Term bonds (5.95%) due 2026 | 8,160 | 8,160 | — |
| PAC bonds (5.35%) due 2031 | 10,000 | 10,000 | — |
| Term bonds (5.95%) due 2032 | 9,790 | 9,790 | — |
| | 30,305 | 30,305 | — |
| | $ 942,900 | 807,075 | 636,670 |

| **GNMA Mortgage Program Fund** | **Original Amount** | **Balance 2000** | **Balance 1999** |
|---|---|---|---|
| 1990 Series B-1: | | | |
| Term bonds (7.55%), due 2010 | $ 7,620 | — | 3,370 |
| Term bonds (7.60%), due 2015 | 7,905 | — | 3,490 |
| | 15,525 | — | 6,860 |
| 1990 Series B-2: | | | |
| Serial bonds (7.00% to 7.15%), due 1999 – 2001 | 4,170 | — | 380 |
| Term bonds (7.55%), due 2021 | 11,500 | — | — |
| Term bonds (7.80%), due 2021 | 13,805 | — | 6,095 |
| | 29,475 | — | 6,475 |

| Bonds payable, continued | Original Amount | Balance 2000 | Balance 1999 |
|---|---|---|---|
| 1990 Series C: | | | |
| Serial bonds (6.95% to 7.20%), due 1999 – 2002 | 4,075 | — | 540 |
| Term bonds (7.70%), due 2010 | 5,955 | — | 2,600 |
| Term bonds (7.45%), due 2021 | 16,000 | — | — |
| Term bonds (7.80%), due 2021 | 18,970 | — | 8,230 |
| | 45,000 | — | 11,370 |
| 1990 Series D: | | | |
| Serial bonds (6.95% to 7.05%), due 1999 – 2001 | 3,780 | — | 305 |
| Term bonds (7.70%), due 2010 | 6,945 | — | 2,645 |
| Term bonds (7.40%), due 2021 | 11,250 | — | — |
| Term bonds (7.80%), due 2021 | 20,025 | — | 7,635 |
| | 42,000 | — | 10,585 |
| 1990 Series F-1: | | | |
| Term bonds (7.45%), due 2010 | 10,015 | — | 5,365 |
| Term bonds (7.50%), due 2015 | 9,305 | — | 4,980 |
| | 19,320 | — | 10,345 |
| 1990 Series F-2: | | | |
| Serial bonds (6.75% to 7.00%), due 1999 – 2002 | 6,215 | — | 1,045 |
| Term bonds (7.75%), due 2022 | 19,465 | — | 10,395 |
| | 25,680 | — | 11,440 |
| | $ 177,000 | — | 57,075 |

| Multi-Unit Mortgage Program Fund | Original Amount | Balance 2000 | Balance 1999 |
|---|---|---|---|
| 1983 Series A: | | | |
| Term bonds (9.125%), due 2002 | $ 300 | 30 | 195 |
| Term bonds (9.375%), due 2024 | 1,720 | 370 | 1,720 |
| | 2,020 | 400 | 1,915 |
| 1993 Series A: | | | |
| Serial Bonds (5.50% to 6.30%) due 1998 – 2003 | 2,185 | 545 | 705 |
| Term bonds (6.6%) due 2011 | 2,075 | 2,075 | 2,075 |
| Term bonds (6.75%) due 2021 | 4,665 | 4,665 | 4,665 |
| | 8,925 | 7,285 | 7,445 |

| Bonds payable, continued | Original Amount | Balance 2000 | Balance 1999 |
|---|---|---|---|
| 1992 Hunter's Run: | | | |
| Term bonds (7.0%), due 2003 | 400 | 145 | 190 |
| Term bonds (7.25%), due 2018 | 1,500 | 1,500 | 1,500 |
| Term bonds (7.35%), due 2033 | 5,330 | 5,330 | 5,330 |
| | 7,230 | 6,975 | 7,020 |
| 1997 Series M-A (Cumberland Crossing): | | | |
| Term bonds (adjustable rate) due 2028 | 9,200 | 9,062 | 9,121 |
| | 9,200 | 9,062 | 9,121 |
| 1997 Series M-B (Cumberland Crossing): | | | |
| Term bonds (adjustable rate) due 2028 | 800 | 788 | 793 |
| | 800 | 788 | 793 |
| 1999 Series A (Indiana Affordable Housing): | | | |
| Term bonds (5.40%) due 2009 | 1,400 | 1,400 | 1,400 |
| Term bonds (6.10%) due 2020 | 5,500 | 5,500 | 5,500 |
| Term bonds (6.20%) due 2030 | 10,430 | 10,430 | 10,430 |
| | 17,330 | 17,330 | 17,330 |
| 1999 Series B (Indiana Affordable Housing): | | | |
| Term bonds (6.88%) due 2004 | 860 | 780 | 860 |
| | 860 | 780 | 860 |
| | $ 46,365 | 42,620 | 44,484 |

| First Home Mortgage Program Fund | Original Amount | Balance 2000 | Balance 1999 |
|---|---|---|---|
| 1994 Series A: | | | |
| Serial bonds (4.86% to 5.81%), due 1999– 2008 | $ 1,165 | 630 | 760 |
| Term bonds (5.96%), due 2014 | 1,015 | 710 | 790 |
| Term bonds (6.06%), due 2020 | 1,430 | 1,000 | 1,085 |
| Term bonds (6.11%), due 2025 | 1,430 | 915 | 1,015 |
| | 5,040 | 3,255 | 3,650 |
| 1994 Series B: | | | |
| Serial bonds (4.58% to 5.68%) due 1999 – 2008 | 1,165 | 595 | 715 |
| Term bonds (5.88%), due 2014 | 1,015 | 710 | 810 |
| Term bonds (5.93%), due 2020 | 1,430 | 900 | 1,005 |
| Term bonds (5.98%), due 2025 | 1,430 | 850 | 940 |
| | 5,040 | 3,055 | 3,470 |



(Continued)

| Bonds payable, continued | Original Amount | Balance 2000 | Balance 1999 |
|---|---|---|---|
| 1994 Series C: | | | |
| Serial bonds (4.46% to 5.46%), due 1999 – 2008 | 1,165 | 665 | 765 |
| Term bonds (5.71%), due 2014 | 1,015 | 755 | 825 |
| Term bonds (5.81%), due 2020 | 1,455 | 990 | 1,100 |
| Term bonds (5.86%), due 2025 | 1,430 | 915 | 1,005 |
| | 5,065 | 3,325 | 3,695 |
| 1994 Series D: | | | |
| Serial bonds (4.94% to 5.64%) due 1999 – 2008 | 1,165 | 635 | 745 |
| Term bonds (5.84%), due 2014 | 1,015 | 770 | 845 |
| Term bonds (5.94%), due 2020 | 1,455 | 975 | 1,085 |
| Term bonds (5.94%), due 2025 | 1,430 | 870 | 960 |
| | 5,065 | 3,250 | 3,635 |
| | $ 20,210 | 12,885 | 14,450 |

| Working Families Program Fund | Original Amount | Balance 2000 | Balance 1999 |
|---|---|---|---|
| 1994 Series D: | | | |
| Term bonds (3.90%), due 1996 | $ 31,265 | — | — |
| Term bonds (5.60%), due 2009 | — | 1,795 | 3,465 |
| Term bonds (6.35%), due 2017 | — | 12,110 | 12,110 |
| | 31,265 | 13,905 | 15,575 |
| 1996 Series B: | | | |
| Serial bonds 5.00% to 5.35%), due 2001 – 2004 | 3,225 | 1,430 | 1,965 |
| Term bonds (5.80%), due 2020 | 6,220 | 3,695 | 4,680 |
| Term bonds (6.45%), due 2025 | 13,835 | 11,790 | 12,435 |
| Term bonds (6.45%), due 2027 | 7,500 | 6,390 | 6,740 |
| | 30,780 | 23,305 | 25,820 |
| | $ 62,045 | 37,210 | 41,395 |

The Single Family, Residential, GNMA, Multi-Unit, First Home and Working Families bonds are special obligations of the Authority. The bonds are payable solely from the revenues and assets pledged to the payment thereof pursuant to the Bond Trust Indentures. Hunters Run, Cumberland Crossing, and Indiana Affordable Housing, three bond series within the Multi-Unit Mortgage Program Fund, are conduit issues. All scheduled advance and delinquent payments on mortgage loans, mortgage insurance and guaranty proceeds received by the Authority, and the earnings on investments of amounts held under the Bond Trust Indentures are pledged to secure the payment of the Bonds. The Bonds are also secured by a pledge and assignment of the rights and interests of the Authority in the mortgage loans and a pledge of the investment accounts of the program fund and the amounts of which are prescribed by the Trust Indentures.

The 1997 Series B, 1997 Series C, 1997 Series D, 1998 Series A, 1998 Series B, 1998 Series C, 1999 Series X, 1999 Series Y, 1999 Series Z, 2000 Series A, 2000 Series B, 2000 Series C, and 2000 Series D include both taxable and tax-exempt bonds. Taxable bonds were utilized to increase resources for the Authority's mortgage program.

The 1997 Series C-1 are floating rate bonds. The interest rate is the three-month LIBOR plus .25% adjusted on the second business day preceding the beginning of each calendar quarter. The General Fund purchased an interest rate cap to protect the rate from exceeding 8.0%.

The 1997 Series M-A and 1997 Series M-B Bonds have an adjustable rate that is currently remarketed on a weekly basis.

The Single Family, Residential, GNMA, Multi-Unit, First Home and Working Families bonds are subject to optional redemption provisions at various dates at prices ranging from 100 to 103 percent of the principal amount, extraordinary optional redemption at par from unexpended or uncommitted funds, prepayments of mortgage loans and proportionate amounts in certain related accounts or excess revenues. The Authority determined to redeem $93,805,000 and $94,375,575 of bonds in 2000 and 1999, respectively, from prepayments which had been received. The bond redemptions resulted in write-offs of unamortized discount and deferred debt issuance costs related to the redeemed bonds.

Scheduled amounts of principal payments in the five years subsequent to December 31, 2000 and thereafter are as follows (all amounts in the thousands):

| | Single Family Mortgage Program Fund | Multi-Unit Mortgage Program Fund | First Home Program Fund | Working Families Program Fund | Combined |
|---|---|---|---|---|---|
| 2001 | $ 9,940 | 430 | 315 | 400 | 11,085 |
| 2002 | 12,750 | 450 | 330 | 395 | 13,925 |
| 2003 | 13,555 | 480 | 330 | 415 | 14,780 |
| 2004 | 14,330 | 530 | 340 | 375 | 15,575 |
| 2005 | 15,260 | 565 | 330 | 320 | 16,475 |
| Thereafter | 741,240 | 40,165 | 11,240 | 35,305 | 827,950 |
| Total | $ 807,075 | 42,620 | 12,885 | 37,210 | 899,790 |



(Continued)

### *Collateralized Bank Loans*

During 1993, the Authority used three bank loans to refinance or redeem bonds in the following 1980 Single Family Mortgage Indenture Series:

1983A Series
1983B Series
1983C Series
1984A Series
1984B Series

In the transaction, the bonds were redeemed at the option of the Authority at a premium and the resulting excess assets in the form of mortgage loans receivable were distributed from the 1980 Single Family Indenture to the General Fund-Investments as collateral for the bank loans. The Authority repaid the 1983 A/B bank loan in 1998 and the 1983C and 1984 A/B bank loans in 1999.

During 1996, the Authority used one new bank loan to redeem all of the bonds from the General Fund Collateralized Mortgage Obligation Series A.

Bank loans with Bank One, N.A. totaling $12,228,000 and $26,638,000 as of December 31, 2000 and 1999, respectively, are summarized as follows as of December 31, 2000 and 1999:

| | 2000 | |
|---|---|---|
| | **1985CMO Loan** | **Line of Credit** |
| Original loan amount | $ 50,000,000 | 6,055,000 |
| Date of loan | January 22, 1996 | December 28, 2000 |
| Variable interest rate (3 month LIBOR plus 30 basis points for 1985CMO; 1 month LIBOR plus 23 basis points divided by 1.56 plus 110 basis points) | 7.11125% | 5.50220% |
| Maturity date of loan | February 1, 2003 | April 15, 2001 |
| Outstanding loan amount as of December 31, 2000 | $ 6,173,000 | 6,055,000 |

| | | 1999 | |
|---|---|---|---|
| | | **1985CMO Loan** | **Line of Credit** |
| Original loan amount | $ | 50,000,000 | 25,375,000 |
| Date of loan | | January 22, 1996 | December 30, 1999 |
| Variable interest rate (3 month LIBOR plus 30 basis points for 1985CMO; 1 month LIBOR plus 23 basis points divided by 1.56 plus 110 basis points) | | 6.37875% | 5.40800% |
| Maturity date of loan | | February 1, 2003 | April 1, 2000 |
| Outstanding loan amount as of December 31, 1999 | $ | 12,588,000 | 14,050,000 |

The 1985CMO bank loan is collateralized by the GNMA certificates held in the General Fund Investments Indenture. The Authority purchased an interest rate cap to protect the rate from exceeding 7.875%. Asset coverage certificates are required on a monthly basis whereby the designated assets for the bank loan exceeds the liabilities by 102%. The interest rate is set on a quarterly basis.

**(7) Extraordinary Items**

During 2000, the GNMA Mortgage Program Fund redeemed the remaining bonds on the 1990 Series B, 1990 Series C, 1990 Series D, and 1990 Series F, through optional redemptions at a premium of 103% resulting in a premium paid of $1,003,900. These transactions resulted in extraordinary deferred debt issuance costs of $180,954.

During 1999, the GNMA Mortgage Program Fund redeemed the remaining bonds on the 1989 Series A, through an optional redemption, at a premium of 103% resulting in a premium paid of $428,100. This transaction resulted in extraordinary deferred debt issuance cost of $162,469.

During 1999, the Multi-Unit Mortgage Program Fund redeemed the remaining bonds on the 1985 Series A, through an optional redemption. The borrower in this series opted to prepay the mortgage loans. The terms of mortgage note required the borrower to pay the outstanding principal of the bonds plus accrued interest. As the total outstanding principal and accrued interest exceeded the remaining balance of the mortgage loan, the Authority recognized $1,481,047 in gain from early extinguishment of the bonds. This transaction resulted in extraordinary deferred debt issuance cost and original issue discount of $211,750 and $70,328 respectively.



(Continued)

## (8) Commitments

As of December 31, 2000 the Authority had the following commitments:

*Lease*

Lease expense of the Authority was $226,417 in 2000 and $202,039 in 1999. Future lease commitments under the operating lease are as follows:

| Year | Amount |
|---|---|
| 2001 | $ 231.504 |
| 2002 | 237.705 |
| 2003 | 243.906 |
| 2004 | 250.107 |
| 2005 | 256.308 |
| Thereafter | 173.628 |

*Excess Investment Earnings*

In order to preserve the exemption of federal and state income taxation on interest received by the bond holders, each bond issue is subject to certain Internal Revenue Code (IRC) and U.S. Treasury Regulations. Under these regulations, the Authority is required to pay the federal government any excess earnings as defined by IRC Section 148(f) on all nonpurpose investments if such investments were invested at a rate greater than the yield on the bond issue.

The Authority's liability, included in accounts payable and other liabilities on the combined balance sheet, for excess earnings at December 31, follows:

| | 2000 | 1999 |
|---|---|---|
| General Fund Investments | $ — | 210.660 |
| Single Family Program Fund | 124.612 | — |
| GNMA Mortgage Program Fund | — | 40.390 |
| Working Families Program Fund | 140.429 | 549.973 |
| | $ 265.041 | 801.023 |

*Distributions*

The Authority transferred capital of $850,000 and $750,000 to the Low Income Housing Trust Fund and $450,000 and $350,000 to supplement the down payment assistance program in 2000 and 1999, respectively.

## (9) Retirement Plan

### *(a) Plan Description*

The Authority contributes to the Indiana Public Employees' Retirement Fund (PERF), an agent multiple-employer retirement system that acts as a common investment and administrative agent for units of state and local government in Indiana. PERF was created and is governed by state statutes I.C.S. 5-10.2 and 5-10.3. As such it is PERF's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt.

The plan is a contributory defined benefit plan which covers substantially all Authority employees. PERF retirement benefits vest after 10 years of service. Effective July 1, 1995, Senate Bill 74 enabled PERF members to be eligible for early retirement with 100% of the defined benefit pension if certain conditions were met. An employee may retire with full benefits at age 60 with 15 or more years of service or at age 55 if the employee's age plus years of service equals 85 or more (Rule of 85). If neither of the above conditions are met, an employee may retire with 100% of the defined pension at age 65 with 10 or more years of service. This annual pension benefit is equal to 1.1% times the average annual salary times the number of years and months of PERF-covered employment. The average annual salary used for calculating the pension benefit is an average of the employee's highest five years of employment earning within the 10 years preceding retirement. Employees who retire between the ages of 50 and 65 with 15 or more years of service receive a pension benefit that is reduced by .100% for each of the first 60 months and by .417% for each of the next 120 months that the benefit commencement date precedes the normal retirement date.

Employees have two choices regarding their annuity savings account. They may elect to receive the contributions and accumulated earnings in a lump sum at retirement, or, they may choose to receive the annuity amount as a monthly supplement to their employer-provided pension described in the paragraph above.

PERF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to PERF, Harrison Building, Suite 800, 143 West Market Street, Indianapolis, Indiana 46204.

### *(b) Funding Policy*

The Authority contributes the employees required contribution of 3% of their annual salaries to an annuity savings account that may be withdrawn at any time with interest should an employee terminate employment. The Authority is required by state statute to contribute at an actuarially determined rate. The current rate is 5% of annual covered payroll. The contribution requirements of plan members are determined by State statute.

### *(c) Annual Pension Cost*

For the 2000 plan year, the Authority's annual pension cost of $97,600 exceeded the required contributions. The PERF funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due. The rate for the Authority's employee group as a whole has tended to remain level as a percentage of annual covered payroll. The required contributions were determined as part of the June 30, 2000 actuarial valuation using the entry age normal cost method. The asset valuation method is 75% of expected actuarial value plus 25% of market value. The actuarial assumptions included (a) a rate of return on investment of present and future assets of 7.25% per year, compounded annually; (b) projected salary increases of 5.00% per year, attributable to inflation; and (c) assumed annual post retirement benefit increases of 2.00%. PERF uses the level percentage of payroll method to amortize the unfunded liability over a closed 40-year period.

### *(d) Historical Trend Information*

Historical trend information as of the three most recent years available about the Authority's participation in PERF is presented below to help readers assess the plan's funding status on a going-concern basis and assess progress being made in accumulating assets to pay benefits when due.

| | Annual pension cost (APC) | Percentage of APC contributed | Net pension obligation |
|---|---|---|---|
| June 30, 2000 | $ 97,600 | 229% | (55,100) |
| June 30, 1999 | 85,300 | 152% | (29,200) |
| June 30, 1998 | 77,800 | 113% | (9,000) |

| Valuation Date | (1) Actuarial value of assets | (2) Entry age actuarial accrued liability | (2-1) Assets in excess of accrued liability (AEAAL) | (1/2) Funded ratio | (3) Annual covered payroll | [(2-1)/3] AEAAL as a percentage of covered payroll |
|---|---|---|---|---|---|---|
| June 30, 2000 | $ 1,654,000 | 1,436,000 | (219,000) | 119.2% | 1,158,000 | -18.91% |
| June 30, 1999 | 1,543,000 | 1,336,000 | (207,000) | 115.5% | 1,073,000 | -19.29% |
| June 30, 1998 | 1,467,000 | 1,346,000 | (121,000) | 109.0% | 1,109,000 | -10.91% |